REMARKS

This responds to the Office Action dated July 18, 2006, and the references cited therewith.

Claims 1, 7-8, 11, 17-18, 21, 27-28, 31, 37-38, 41, 47-48, 51 and 57-58 are amended, no claims are canceled, and no new claims are added; as a result, claims 1-60 are now pending in this application.

Claim Objections

Claim 41 was objected to on the grounds that on line 10 of claim 41, "on c" should be "one." Appropriate correction has been made.

§101 Rejection of the Claims

Claims 1-60 were rejected under 35 U.S.C. § 101 on the grounds that even though the claims recite functionally descriptive material, this material is not tangibly embodied. The Applicant respectfully submits that the claims, as filed, recited tangible and concrete steps to be performed by one or more parties, including such acts as calculating and determining specific concrete quantities that relate to specific, tangible and concrete real-world transactions including financing out-of-pocket costs for clients of law firms and billing those clients for such costs. These claimed elements and actions are observable and verifiable with real-world physical evidence and counterparts, such as law firm invoices, whether electronic or paper, out-of-pocket cost accounting, performed by accountants and bookkeepers and others using computer equipment and software existent in the physical world, and not just in an imaginary or "intangible" domain. Nonetheless, the Applicant has added to each method claim at least one recitation of a computer so that there may be no mistake about the tangible nature of the claimed invention.

§112 Rejection of the Claims

Claims 7-8, 17-18, 27-28, 37-38, 47-48, and 57-58 were rejected under 35 U.S.C. § 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention. The subject claims have been amended

to make clear that it is the law firm that arranges for payment. It is noted that the examiner's provisional interpretation was incorrect.

§103 Rejection of the Claims

Claims 1-60 were rejected under 35 U.S.C. § 103(a) as being unpatentable over "How to Control Your Company's Legal Costs" by Harry J. Maue, in view of Walker (U.S. Patent No. 5,970,478).

As noted by the examiner, Maue does note that law firms will bill clients for expense items. However, Maue actually makes no mention of costs incurred by a law firm in connection with a loan, funding or financing of an out-of-pocket cost for a client, a limitation found in one form or another in each of the Applicant's pending claims. For example, claim 1 refers to "a cost associated with financing an out-of-pocket cost incurred by the law firm", while claim 53 refers to "a cost associated with funding the respective out-of-pocket cost incurred by the law firm." These are just two examples of the reference each claim makes to such loans, funding or financing of out-of-pocket costs.

In fact, Maue actually teaches that a client should limit and prohibit practices in relation to expense items incurred by a law firm. As such, the general approach and tone of Maue reasonably teaches away from the spirit of the claimed invention, wherein a "separate charge" is prepared in respect of an "out-of-pocket" cost, such that the "charge" is related to a cost of a loan, financing or funding the "out-of-pocket". Claim 1, for example, requires "wherein the separate charge is determined using at least one computer and is based substantially on a possible cost of financing a loan to cover payment of the out-of-pocket cost." Limitations of a generally similar nature, but not identical or to be equated, are found in all of the other pending claims.

The examiner has also cited Walker (US Patent 5,970,478) for the subject matter absent from the teaching of Maue. First, the Applicant asserts that Maue literally teaches away from using the technology of Walker to even try to provide the claimed invention in any of its forms. Put another way, Maue does not provide any motivation for a law firm to find more efficient ways to pass along costs to clients – rather, Maue would suggest law firms should not try to pass along more costs that may upset a client trying to limit such charges per Maue's suggestions.

Further, with respect to claims 1, 21, 31, 41 and 51 Walker itself makes no mention of using its teaching to charge clients of a law firm a "separate charge" or "separate expense" (the Applicant's note claim 11 does not include this limitation) in relation to an "out-of-pocket" cost. In fact, Walker makes no mention anywhere of the concept of billing a law firm client a "separate charge" that relates to the cost of funding, financing or a loan in relation to an "out-of-pocket" cost. All Walker suggests is that a credit card bill may be sent to a credit card customer and that the credit card company may charge a finance charge on the balance of the credit card. Moreover, Walker makes no mention of financing out-of-pocket costs for law firm clients, nor law firms, nor law firm clients, nor anything else that pertains to how law firms should deal with handling the out-of-pocket costs for law firms. As such, there is no motivation to look to Walker to create a system for billing clients in relation to out-of-pocket costs.

Note also that claim 1 further specifies that "wherein the respective charge is determined substantially at the same time the firm arranges to pay the out-of-pocket cost", which again is not found in Walker or any other reference. Walker teaches determining finance charges based on actual history of the time the amount financed is carried, not in advance of such carry period at the time a charge is made.

Thus, the use of Walker's technology to obtain the operation claimed by the Applicant in claims 1, 21, 31, 41 and 51 is not only not obvious, it is not really possible. If a law firm were to use a single credit card account to pay out-of-pocket expenses for clients such that the credit card company is the "service provider" or the party "billing the law firm", the credit card of Walker would bill the law firm one bill that lists all costs funded with the credit card but with only a single finance charge that is undifferentiated between the expenses charged and carried on the card – and therefore NOT providing "separate charges" or expenses for each out-of-pocket expense as required by the claimed invention in all its forms in the pending claims.

In fact, the examiner has cited no art that teaches the idea that a credit card provider provides a "separate charge" specifying the finance charge related to individual card purchases, and no such technology is known to the Applicant at present. In point of fact, it is the Applicant's disclosure that alone teaches this unique concept, particularly with respect to law firm's handling of out-of-pocket costs, for which all claims are limited.

Further, if the teachings of Walker were combined with Maue, the result would not be billing law firm clients separate charges, but rather most likely not billing for any charges whatsoever as proposed by the Applicant, which would surely raise flags in Maue's view, but even still further were the approach of Walker to be used to fund client costs, the result would not be "separate charges" for each "out-of-pocket" expense funded using the credit card, but rather one single finance charge that is the cumulative for all out-of-pocket expenses incurred for a client in any given period, as is provided by Walker's approach for billing customers of a credit card company. More particularly, the text from Walker referred to by the Examiner in the office action (column 5, line 56 to column 6, line 6) again makes no mention of assessing "separate charges" in relation to financing each "out-of-pocket cost" charged on the credit card. Again, this is found in the Applicant's disclosure and claims 1 and 21 but not in the cited prior art. The relevant portion of Walker is reproduced below to make it easy to see that this teaching is absent from Walker:

> "FIG. 4 depicts a preferred set of parameters pertaining to each credit account. These parameters are stored in the parameter database 27a. When the customer selects the parameters in step S3 of FIG. 6, he selects from the available parameters. The preferred parameters include: the interest rate that is charged on unpaid balances; the time period of the interest rate, which is the amount of time for which the interest rate must remain fixed; the monthly minimum payment, which will typically be a percentage of the outstanding balance; the credit limit, which is the maximum amount of credit that the issuer will extend to the card holder; the grace period, which is a period following a purchase during which interest does not accrue; payment amnesty, which records the number of times a customer is permitted to skip a monthly payment which is inconvenient to pay; and a late fee, which is a fee that is charged when a customer does not pay his bill on time.
>
> Parameter database 27a is preferably indexed by the account identifier, linking parameter database 27a with customer database 27b. Of course, the invention is not limited to the parameters described above, and alternative parameters may be used."

Further, with respect to claims 11, 21, 31, 41 and 51, Walker itself makes no mention of using its teaching to charge clients of a law firm a "disbursement amount" intended to recover at least in part a "finance charge" in relation to an "out-of-pocket" cost, wherein" the disbursement amount is determined using at least one computer and determined substantially at the same time the firm arranges to pay the out-of-pocket cost and is based on an "assumption" or "assumed time frame" (note claim 1 does not include this limitation of assumption or assumed time frame) of when the law firm client will reimburse the law firm for the out-of-pocket cost." In fact, Walker makes no mention anywhere of the concept of billing a law firm client a disbursement amount determined in any fashion whatsoever, but certainly not one that is "based on an assumption of when the law firm client will reimburse the law firm for the out-of-pocket cost." All Walker suggests is that a credit card bill may be sent to a credit card customer and that the credit card company may charge a finance charge on the balance of the credit card. Moreover, as noted above, Walker makes no mention of financing out-of-pocket costs for law firm clients, nor law firms, nor law firm clients, nor anything else that pertains to how law firms should deal with handling the out-of-pocket costs for law firms. As such, there is no motivation to look to Walker to create a system for billing clients in relation to out-of-pocket costs.

Accordingly, the Section 103 rejection of the Applicant's claims 1, 11, 21, 31, 41 and 51 in view of the combination of Maue and Walker fails to set forth a *prima facie* showing of obviousness, and should be withdrawn.

Given the failure of the art cited, alone or in combination, to teach the claimed combination of the Applicant's independent claims, the remaining pending claims dependent thereon are also believed free of the art for the same and addition reasons owing to the limitations they may add to those claims.

CONCLUSION

Applicant respectfully submits that the claims are in condition for allowance, and notification to that effect is earnestly requested. The Examiner is invited to telephone Applicant's attorney at (612) 373-6902 to facilitate prosecution of this application.

If necessary, please charge any additional fees or credit overpayment to Deposit Account No. 19-0743.

Respectfully submitted,

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CERTIFICATE UNDER 37 CFR 1.8: The undersigned hereby certifies that this correspondence is being filed using the USPTO's electronic filing system EFS-Web, and is addressed to: Mail Stop Amendment, Commissioner of Patents, P.O. Box 1450, Alexandria, VA 22313-1450 on this 18 day of January 2007.

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